

TENNESSEE ALCOHOLIC BEVERAGE COMMISSION

AGENDA
THURSDAY, FEBRUARY 25, 2016
1:30 pm

1. APPROVAL OF THE JANUARY, 2016 COMMISSION MEETING MINUTES**2. RETAIL MATTERS****A. OLD BUSINESS****B. NEW BUSINESS**

1. KEN'S LIQUOR STORE (LICENSE NO. 0214)
CHATTANOOGA, TENNESSEE (HAMILTON COUNTY)

Applicant: Charles R. Williams, Sole Proprietor

Charles R. Williams and Terrell ("Terry") Williams (informal partnership) were the licensed owners of the retail package store (license no. 0214) doing business at 6015 Dayton Boulevard, Chattanooga, TN 37415. Mr. Terrell Williams ("Terry") passed away in late 2015; his widow has agreed to sell his interest in the business and real property to Charles Williams for \$400k. Charles Williams is now seeking approval to operate the store as a sole proprietorship. The TABC staff recommends conditional approval of this request, subject to receipt of the following:

- a. renewal inspection and renewal fee

2. DIXIE LEE WINES & LIQUORS (LICENSE NO. 1064)
FARRAGUT, TENNESSEE (KNOX COUNTY)

Applicant: Dixie Lee Wines & Liquors, Inc.

<u>Shareholders</u>	<u>July of 2015 ¹</u>	<u>Proposed</u>
Samuel H. Taylor, President & Director	00.000 %	00.000 %
Linda G. Taylor	25.916 %	34.640 %
Ellen T. Jones	18.521 %	16.340 %
Melanie J. Brown	18.521 %	16.340 %
Sam Taylor III	18.521 %	16.340 %
Andrew Taylor	18.521 %	16.340 %

The licensee doing business at 13044 Kingston Pike in Knoxville, Tennessee was conditionally approved for a change in shareholders and shareholder interest at the July

¹ Shareholder and shareholder interest change that was conditionally approved at the July 21, 2015 Commission meeting.

21, 2015 Commission Meeting; however, after the transfer was approved but before the transfer was consummated, there were changes in the amounts of stock transferred. The applicant is now seeking approval for those changes. The TABC staff recommends approval of this request.

**3. JACKSON LIQUORS (LICENSE NO. 3936)
ASHLAND CITY, TENNESSEE (CHEATHAM COUNTY)**

Applicant: Jackson Liquors, Inc.

Shareholder(s):	Linda Jackson	50 %
	Claude Jackson	50 %

Current Location: 1317 Hwy 12 South, Ashland City, Tennessee 37015

Proposed Location: 1319 Hwy 12 South, Ashland City, Tennessee 37015

Before the Commission is a request for approval of a transfer of location as specified above. The Jackson's own the real property where the business is being transferred to and are leasing the premises to the corporation for \$2,500 per month. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection (after build-out)

**4. LEGACY WINE & SPIRITS
SMYRNA, TENNESSEE (RUTHERFORD COUNTY)**

Applicant: Reyan Inc.²

The applicant was conditionally approved for licensing at the October 20, 2015 Commission meeting.³ The applicant requested and received an initial thirty day extension (extended until February 23, 2016) from the Director on January 5, 2016. Due to weather delays, the applicant is now requesting a second thirty day extension (until March 25, 2016) which must come before the full Commission. The TABC staff recommends approval of the request for an extension to become operational.

**5. RIVERBEND WINE AND SPIRITS (LICENSE NO. 3445)
CLARKSVILLE, TENNESSEE (MONTGOMERY COUNTY)**

Applicant: Beach Liquors, LLC

Member(s):	William Gordon Beach	50 %
	William Gordon Beach II (Bill)	50 %

Pre-Approval	%	Proposed	%
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² Shareholders: Garurang Patel, 43%; Chirag Patel, 30%; Tejal Patel, 20%; Dipakkumar Patel, 3%; Jigna Patel, 4%

³ The applicant was conditionally approved for licensing subject to receipt of the license fee, inspection, acknowledgment of Rules & Regulations, and Certificate of Occupancy. The license fee has since been paid.

William G. Beach	50	William G. Beach	50
Katherine A. Beach	50	William Gordon Beach (Bill)	50

Before the Commission is a request for approval of a partial transfer of membership interest in the LLC doing business at 1206 Highway 48, Suite A, in Clarksville, TN 37040. Bill Beach is purchasing his mother's interest in the store for approximately \$350k via seller financing.⁴ The TABC staff recommends approval of this request.

6. **GORDINS WINE & LIQUOR SHOPPE MEMPHIS, TENNESSEE (SHELBY COUNTY)**

Applicant: Gordin LLC⁵

Member(s):	Michael Gordin	75 %
	Toby M. Gordin	25 %

Current: William Benson, Sole Proprietor d/b/a Frayser Wine & Liquor (License No. 0563)

Proposed: Gordin LLC d/b/a Gordins Wine & Liquor Shoppe

Before the Commission is a request for approval of a complete transfer of ownership regarding the retail store located at 3234 Thomas Street, Memphis, Tennessee 38127. Financing for the business has been verified by TABC staff, and if approved, the applicant will purchase the business from the seller for approximately \$137k.⁶ The applicant will lease the premises from landlord, Memphis Northgate Commons, LLC, for a term of five years at approximately \$2,500 per month. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. ~~Sales tax number for this location (received)~~
- b. Alcohol Dealer Registration Form (for this new location)
- c. Acknowledgment of TABC Rules & Regulations
- d. TABC Inspection
- e. License Fee

7. **LIQUOR LOCKER FAYETTEVILLE, TENNESSEE (LINCOLN COUNTY)**

Applicant: AANSI 12 AARNA 23, LLC

Member(s): Vimarsh C. Patel, 100%

Current: William Clint & Janice Marie Caldwell, d/b/a The Liquor Locker (license no. 3010)

⁴ The purchase will be paid back in monthly installments over ten years.

⁵ Gordin, LLC (dba Gordin's Wine & Liquor Shoppe Cost Plus) has a retail license (license no. 3952) at 1781 S. Prescott, Ste 101, Memphis, TN 38111.

⁶ In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement.

Proposed: Aanshi 12 Aarna 23, LLC d/b/a Liquor Locker

Before the Commission is a request for approval of a complete transfer of ownership regarding the retail package store located at 1604 Huntsville Hwy, Fayetteville, TN 37334. The applicant will purchase the business, including the commercial building and inventory, for a purchase price of \$275k.⁷ Financing for the business will come from a bank loan and funds gifted by relatives, as verified by TABC staff. Mr. Patel is purchasing the real property where the store is located and he will lease the premises to the applicant for a term of five years at a monthly rental rate of \$2,000. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection
- b. Acknowledgment of TABC Rules & Regulations

3. WINERY MATTERS -

A. OLD BUSINESS

B. NEW BUSINESS

4. BLUE SLIP WINERY (W-67) KNOXVILLE, TENNESSEE (KNOX COUNTY)

Applicant: Blue Slip Winery, LLC

Member(s):	B. Linn Slocum	40 %
	Paxton J. Gaylon	40 %
	Marvin L. House	10 %
	The Southern Station of Tennessee, LLC ⁸	10 %

The Southern Station of Tennessee, LLC ("Southern Station") holds 10% ownership interest in the winery (winery license W-67) doing business at 300 W. Depot Street, Knoxville, Tennessee 37917, Knoxville, TN. The applicant is requesting approval for the addition of Ms. Sara Yoakley as a 5% (non-voting) member of Southern Station making her a .5% (one-half percent) owner in the winery. Additionally, three current members of Southern Station would increase their membership interest in Southern Station.⁹ The TABC staff recommends approval.

⁷ In accordance with Tennessee law, Sellers are to transfer title and possession of the liquor inventory to the applicant via TABC licensed wholesalers' involvement. The purchase price may be adjusted based on inventory value at closing.

⁸ The Southern Station of TN, LLC: Voting Members: B. Linn Slocum, 10%; Paxton J. Gaylon, 10%; Marvin House, 10%. Non-voting members: Marvin House, 30%; Dan & Martha Raper, 5%; Ned & Alice Belt, 5%; Darryl & Melissa Jones, 5%; Claud Monroe, 5%; Tom McCarly & Densie Mortz, 5 %; David Dugger, 5%; B. Linn Slocum; 2.5%, Paxton Gaylon; 2.5% and Sara Yoakley, 5%.

⁹ B. Linn Slocum and Paxton Gaylon's membership interest in The Southern Station of Tennessee, LLC will increase from 10% to 12.5% each (10% voting plus 2.5% non-voting) and Marvin House's membership in The Southern Station of Tennessee, LLC will increase from 20% to 40% (10% voting plus 30% non-voting).

**2. WHITE SQUIRREL WINERY
KENTON, TENNESSEE (OBION COUNTY)**

Applicant: Bill Sanderson

Location: 115 N. Main St., Kenton, Tennessee 38233.

White Squirrel Winery has been licensed as a farm-winery (FW-60) at 3804 Concord Rd. in Kenton, Tennessee; however, Mr. Sanderson is now requesting approval for licensing as a winery at 115 N. Main St., in Kenton, TN. The applicant is investing personal funds into the business and a lease is not required as Mr. Sanderson is the owner of the real property where the licensed winery will be located. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Inspection
- b. TN Dept. of Agriculture approval

4. FARM WINERY MATTERS -

5. WHOLESALE MATTERS

A. NEW BUSINESS

6. DISTILLERY/BREWERY

A. NEW BUSINESS

**1. TENNESSEE LEGEND
SEVIERVILLE, TENNESSEE (SEVIER COUNTY)**

Applicant: Crystal Falls Spirits, LLC

Member(s): Jay Holeman, 100%

D/b/a name before Commission approval:

Crystal Falls Spirits

Requested D/b/a name:

Tennessee Legend

Before the Commission is a belated request for approval of a d/b/a name change for the distillery licensee (license#124) doing business at 2874 Newport Hwy, Sevierville, Tennessee 37876. The TABC staff recommends conditional approval of this request, subject to receipt of the following:

- ~~a. resolution of outstanding citations (RI's 1475 & 1476) payment received~~
- ~~b. Payment of renewal fee received~~

2. YEE-HAW BREWING, LLC

JOHNSON CITY, TENNESSEE (WASHINGTON COUNTY)

Applicant: Yee-Haw Brewing, LLC

Member(s):	Baker Gift Trust, Charles R. Edwards, Jr. Trustee	64.66 %
	Virginia J. Baker	6.52 %
	Joseph A. Baker	6.51 %
	John C. Cottongim	12.28 %
	Charles R. Edwards, III	5.44 %
	Sarah Edwards	3.48 %
	John Edwards	1.11%

The brewery located at 126 Buffalo Street, Johnson City, Tennessee 37604 is requesting licensing from the TABC to manufacture high-gravity beer at that location. No additional funds are planned to be invested at this time as this is an existing business; however, the initial financial investment in the business was approximately \$800k, as verified by TABC staff. The applicant is leasing the premises of the real property from East TN, LLC for \$3,000 per month.¹⁰ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. Documentation of location approval by Johnson City
- b. Distance requirement letter
- c. TABC Agent Inspection
- d. Acknowledgement of TABC Rules & Regulation
- e. License Fee

**3. NEW HEIGHTS BREWING
NASHVILLE, TENNESSEE (DAVIDSON COUNTY)**

Applicant: New Heights Brewing Company, LLC

Member(s):	Tracey J. Fountain	50 %
	Jeffrey T. Fountain	50 %

Before the Commission is request for licensing of a new brewery to be located at 928 5th Avenue South, Nashville, Tennessee 37203. Financing for the business has been verified by TABC staff and the applicant members are investing approximately \$800k using personal funds and a bank loan. The applicant will lease the premises from Gil Fuqua, Jr. for an initial term of five years at a monthly rental rate of approximately \$3500.¹¹ The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. TABC Agent Inspection
- b. Acknowledgment of TABC Rules/Regulations
- c. License Fee

¹⁰ The initial term of the lease will expire in 2024; the lease includes option to renew.

¹¹ Monthly rental rate will have increase to approximately \$3900 by year five of the term. The lease includes options to renew for two additional terms of five years each.

7. PRIVATE CLUBS

A. NEW BUSINESS

1. AMERICAN LEGION POST 60 CLUB PULASKI, TENNESSEE (GILES COUNTY)

Applicant: American Legion Post 60 Club
 Commander & Manager: Henry Damron, Commander
 Terry Willoughby, Manager

Before the Commission is a request for licensing of not-for-profit private club located at 425 Legion Drive, Pulaski, Tennessee 38478. The applicant is a nonprofit organization organized and existing under the laws of the state of Tennessee. The club - organized and operated exclusively for pleasure, recreation and other non-profit purposes - has 226 members each paying approximately \$35.00 in annual dues. A lease is not required as the applicant is the owner of the real property. The TABC staff recommends conditional approval of this request, subject to receipt of the following items:

- a. ~~Sales tax #~~ (received)
- b. ~~TABC Inspection~~ (received)
- c. ~~Acknowledgement of TABC Rules & Regulations~~ (received)
- d. License Fee

8. INITIAL ORDERS TO BE REVIEWED BY THE COMMISSION –

In the Matter of:

S&S Family Entertainment, LLC Docket: 33.01-130587J
 D/b/a Hermitage Strike & Spare

On August 11, 2015 a contested case was heard in Nashville, Tennessee before Administrative Judge Kim Summers. Joshua Stepp represented the TABC and Lauren Wells, Esq. represented the Respondent. Pursuant to the Initial Order issued on November 5, 2015, Judge Summers determined that the TABC did show “by a preponderance of the evidence a violation of Tenn. Code Ann § 57-4-203(b)(1)(B) for which suspension of Hermitage Strike and Spare’s liquor license is warranted.” Judge Summers ordered the Respondent’s liquor license to be suspended for a period of five (5) days. On or about November 17, 2015, the TABC staff filed a Notice of Appeal of Initial Order. Pursuant to Tenn. Code Ann. § 4-5-315(d)¹² the TABC, upon review of the initial order “shall exercise all the decision-making power that the agency would have had to render a final order had the agency presided over the hearing.” Such review

¹² Tenn. Code Ann. § 4-5-315(d): The person reviewing an initial order shall exercise all the decision-making power that the agency would have had to render a final order had the agency presided over the hearing, except to the extent that the issues subject to review are limited by rule or statute or by the agency upon notice to all parties

shall not be limited, except as provided in Tenn. Code Ann § 4-5-319(d)¹³, and any portion of the I/O may be reviewed by the Commission, including, but not limited to, the imposition of a 5 day suspension, whether or not a longer suspension period is appropriate, and whether or not the TABC's costs associated with the hearing and/or appeal should be awarded to the TABC pursuant to Tenn. Code Ann § 57-1-213.

9. SERVER APPEALS - none

10. MISC – Business Wizard Demo

11. NEXT MEETING – Tuesday, March 22, 2016 at 1:30 p.m.

12. UPCOMING MEETINGS

- Tuesday, March 22, 2016 at 1:30 p.m.
- Tuesday, April 26, 2016 at 1:30 p.m.
- May Commission Meeting date - TBD

End of Agenda

¹³ Tenn. Code Ann. § 4-5-319(d): Except to the extent that this chapter or another statute provides otherwise, the agency record shall constitute the exclusive basis for agency action in adjudicative proceedings under this chapter, and for judicial review thereof.